

SIGNIA CAPITAL MANAGEMENT

Specializing in Small & Micro Cap Value Investing

A Simcoe Capital, LLC Company

Signia Small-Micro Cap Value Commentary: Year-End | 2025

Signia Capital Management is a boutique money management firm specializing in Small-Micro Cap and Small Cap Value investing. The firm is majority owned by the portfolio management team. Signia is built upon the belief that markets are inefficient, and that inefficiencies exist more often in smaller companies, allowing for the firm's fundamental investing process to capitalize on those inefficiencies.

Our **Small-Micro Cap Value** strategy invests in high quality, catalyst rich companies that we expect will experience a significant improvement in earnings within the next 12 to 24 months. Our team identifies compelling investment opportunities through a rigorous bottom-up research process that includes direct dialogue with the management teams of each company under consideration. The process results in a concentrated portfolio of 25 to 35 individual investments, each with its own unique and compelling investment catalysts.

Investment Team

Richard Beaven, CFA Principal- Lead Portfolio Manager

Colin Kelly, CFA Principal- Dir. of Research & Portfolio Manager

Portfolio Characteristics

Investment Process	Fundamental Bottom-Up
Mkt. Cap Range	\$2b and Below
Median Market Capitalization	\$646m
Number of Holdings	25-35

Top 10 Holdings (%) 12/31/2025

Mechanics Bank	4.7%
Great Lakes Dredge & Dock	4.6%
Solaris Energy Infrastructure	4.5%
Green Dot	4.4%
Yatra Online	4.3%
Arhaus	4.3%
Orion Group	4.2%
Oportun Financial	3.9%
Uranium Royalty	3.7%
Koru Medical Systems	3.7%

Sectors Weightings (%) 12/31/2025

Basic Materials	13.8%
Consumer Discretionary	17.1%
Consumer Staples	0.0%
Energy	25.3%
Financials	12.9%
Healthcare	8.7%
Industrials	15.4%
Real Estate	0.0%
Technology	2.3%
Telecom	0.0%
Cash	2.3%
Total Portfolio	100.0%

2025 Year-End Review- Signia Small-Micro Cap Value

For the full year 2025, the Signia Small-Micro Cap Value strategy returned 39.28% (gross) and 35.04% (net) vs. the Russell Microcap Value and Russell 2000 Value return of 23.83% and 12.59%, respectively. The difference between our gross and net performance number is calculated based upon a 1% management fee and a 15% performance fee above the Russell Microcap Value index, using a high-water mark.

Portfolio Update:

As discussed in our 2025 mid-year update, tariff-related policy uncertainty drove a sharp and wide-spread market selloff during the month of April. We used this volatility to our advantage and increased our position in a number of portfolio companies, including Ramaco Resources (METC).

METC is a U.S.-based producer of metallurgical coal, which is primarily used in the production of steel. We liked METC's low cost position vs competitors, as well as its growing production profile, growing from 4m tons per year to upwards of 7m tons by 2028. Additionally, over the last 18 months, METC management has discussed and disclosed the potential for a significant rare earth project at the company's Brook Mine located in Wyoming. Having owned the company off & on for the last 3 years and observing the development and investment in the Brook Mine, we believed this represented a hidden asset with the substantial value creation potential. To assess the property's value, METC engaged Fluor Corporation to do a Preliminary Economic Assessment (PEA) on 1/3 of the project. We believed the market was assigning little to no value to the Brook Mine and that the PEA could be a catalyst for the stock. In July of 2025, METC released the PEA study which indicated the property had a pre-tax NPV of approximately \$1.2b. With METC's total enterprise value at roughly \$750m, it was evident that the market was mispricing this asset. The PEA study coupled with an administration focused on incentivizing rare earth element production within the US led investors to recognize METC's significant embedded value. From July through September METC moved from roughly \$10 per share to \$50. Given our valuation and catalyst discipline, we were trimming/selling into the strength and ultimately exited the position in Q3.

We had 7 new buys in the 2nd half of 2025. In early December we initiated a position in Atlas Energy Solutions (AESI), a provider of frac sand to producers of both natural gas and oil companies in most of the hydrocarbon producing areas in the U.S.

Portfolio Snapshot 12/31/2025

Current Number of Holdings	31
EV/EBITDA	13.6
Price to Book	1.5
Price to Sales	.60
Price to Cash Flow	11.5
L.T. Debt to Capital	24.5%
Average Price to Earnings (forward)	20.5
2026 Vs. 2025 EPS Growth	44.6%
Weighted Average Mkt. Cap (m)	\$1,020
Average Turnover (annual)	40-60%

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Atlas also provides distributed power solutions through its fleet of over 900 natural-gas powered generators. These generators are typically used in remote energy and industrial applications.

When searching for opportunities in the cyclical oil and natural gas sectors, we focus on firms that are simultaneously low-cost producers and have other catalytic components that unlock value. Atlas fulfills both requirements. Atlas is the lowest-cost producer and market share leader of frac sand in the largest hydrocarbon-producing basin (Permian) in the U.S. The company's cost advantage stems from its in-basin location, high quality sand reserves, and unique distribution network including a 42 mile long conveyor belt known as the Dune Express. The Dune Express conveyor system reduces trucking miles driven by 60-70% which lowers delivered costs and improves reliability.

In addition to AESI's market leading sand and logistics business, the company has a fast-growing power generation business which we believe represents another catalytic component. With significant power needs and delays in connecting to the grid, many AI focused hyperscale data center companies are turning to distributed/mobile power solutions. Due to robust demand from industrial and energy companies seeking to lock-in reliable supply, the firm is targeting over 400 megawatts installed by year-end 2027, compared to around 240 megawatts today with a potential market opportunity of 2,000 megawatts in the years ahead.

Trading at multi-year lows and roughly book value, it is evident that the market has low expectations for Atlas at present. We believe the combination of a cyclical low in the sand and logistics business along with company specific catalysts tied to the growth in distributed power will drive increased earnings and cash flow over the next 18-24 months, likely leading to a re-rating in the stock price.

Green Dot (GDOT), a fintech company and prepaid card services provider, was a new buy in Q4. We have followed Green Dot for a number of years given our successful investment in competitor The Bancorp (TBBK). We found several aspects of the Green Dot story interesting at this juncture. On March 7th, 2025, GDOT named former CEO and current Board Chair, Bill Jacobs, Interim CEO. On March 10th, 2025, GDOT announced that it had engaged Citigroup to initiate a review of strategic alternatives. In our experience, an interim CEO combined with a strategic review process frequently signals a company that is "in play" and a likely acquisition target. Encouragingly, Interim CEO Bill Jacobs was able to fortify the GDOT business by renewing a large contract with Wal-Mart which extended the term from 2027 to 2033, removing a large overhang on the stock. Additionally, GDOT was able to beat and raise guidance the last 3 quarters as new business wins were ramping faster than anticipated. From our standpoint, we saw multiple upside paths possible for the stock either through continued fundamental improvement or a potential take-out given the strategic review process. With GDOT shares trading at \$12-13 per share and roughly 4x EV/EBITDA we found shares as an attractive set-up.

On November 24, 2025 Green Dot announced a conclusion to its strategic review process and a two-part transaction. Green Dot's non-bank fintech platform would be acquired by private equity firm Smith Ventures with shareholders receiving \$8.11 in cash. Additionally, Green Dot's bank holding company, GreenDot Bank, will be acquired by CommerceOne Financial with GDOT shareholders receiving .2215 shares in the new publicly traded CommerceOne Bank.

While the GDOT transaction may look more complicated than a straight cash deal, a closer look at the math reveals an undervalued opportunity. As the table below shows, using a conservative P/B range (.75 - 2.25x) tangible book for the new GreenDot Bank/CommerceOne Financial provides a valuation range of roughly \$4.70 - \$14 for the stand-alone bank plus \$8.11 in cash which provides an overall deal value in the high teens to low 20's.

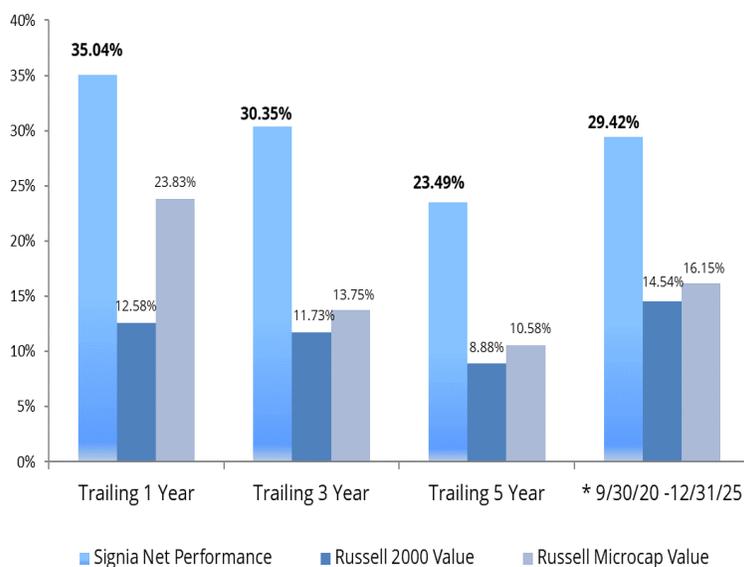
P/B Multiple (x)	GreenDot (GDOT) Valuation			
	0.75	1.25	1.75	2.25
*GDOT Bank	\$4.69	\$7.81	\$10.94	\$14.06
(+)				
GDOT Non-Bank	\$8.11	\$8.11	\$8.11	\$8.11
(=)				
Total GDOT Value	\$12.80	\$15.92	\$19.05	\$22.17
<i>*Assumes \$500m tangible book value and 80m shares outstanding</i>				

Closing Thoughts & Outlook:

We are pleased to report another strong year of both absolute and relative returns for our investors. As shown below, since inception 5+ years ago, the Signia Small-Micro Cap Value strategy has returned 29.42% (net) annualized vs. 16.15% & 14.54% for the Russell Microcap Value and Russell 2000 Value, respectively.

As always, past performance is not indicative of future returns. However, the opportunity set for new ideas remains robust, as evidenced by the 7 new buys over the last 6 months.

Thank you to our clients for their continued support. We look forward to updating you at the end of Q2.



SIMCOE SIGNIA SMALL-MICRO CAP VALUE COMPOSITE

<u>Total Return Performance</u>					<u>Annualized</u>			
					3-Year Std. Dev.	3-Year Std. Dev.		
Simcoe Signia Composite Net of Model & Performance Fee					Simcoe Signia Composite Net of Model & Performance Fee			
		Simcoe Signia Composite Gross of Fees	Russell Microcap Value Index	Number of Portfolios in Composite	Russell Microcap Value	Total Composite End of Period Assets (USD)	Total Firm AUM End of Period Assets (USD)	
2020	Q4	34.84%	32.76%	5 or fewer	N/A	\$66,239,914	\$66,239,914	
2021	Year	38.25%	34.84%	5 or fewer	N/A	\$96,559,530	\$96,711,291	
2022	Year	-6.20%	-16.69%	5 or fewer	N/A	\$77,887,296	\$77,887,296	
2023	Year	29.56%	8.86%	5 or fewer	22.96%	\$95,761,208	\$95,776,607	
2024	Year	26.60%	9.16%	5 or fewer	25.64%	\$87,873,898	\$88,621,650	
2025	Year	35.04%	23.83%	11	23.48%	\$108,367,632	\$109,440,887	

<u>Annualized Performance</u>				<u>Annualized Std. Dev.</u>	
Composite Net of Model & Performance Fee		Composite Gross of Fees	Russell Microcap Value Index	Composite Net of Model & Performance Fee	
				Russell Microcap Value Index	
<i>Trailing 1 Year</i>		35.04%	39.28%	23.83%	21.07%
<i>Trailing 2 Year</i>		30.75%	35.59%	16.26%	25.04%
<i>Trailing 3 Year</i>		30.35%	35.07%	13.75%	23.48%
<i>Trailing 4 Year</i>		20.06%	23.61%	5.23%	24.65%
<i>Trailing 5 Year</i>		23.49%	26.82%	10.58%	23.86%
<i>Inception to Date</i>		29.42%	32.91%	16.15%	23.13%

Inception date is October 2020

Performance updated through December 31, 2025

* Past performance is not an indicator of future results. Please see the back of this page for Performance Presentation Disclosures

Performance Presentation Disclosures

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Firm. Simcoe Capital (dba Signia Capital Management) ("Signia") is defined as an independent investment management firm that is not affiliated with any parent organization. Signia is an equity manager investing primarily in U.S. traded securities.

Composite Description. The Simcoe Signia Small-Micro Cap Value Composite ("Composite") consists of all discretionary fee-paying accounts invested in diversified portfolios of U.S. Small Micro capitalization equity securities with the objective of maximizing total return. The basis for selection is to include all diversified equity portfolios with a mandate to invest in Small Micro capitalization value companies, with few tax or other constraints that would otherwise impede the objective of maximizing total return. The strategy typically includes 25-35 securities at any given time, and some of these securities may be less liquid with the potential for more price volatility given company size and portfolio concentration. Small-cap equity securities may be less liquid and subject to more price volatility than larger capitalization securities. The composite excludes portfolios with material restrictions imposed by the client that impair our ability to fully implement the intended strategy. The creation and inception date of the composite is October 2020.

Benchmark. The benchmark is the Russell Microcap Value Index. Signia selected this benchmark because the Russell Microcap Value Index is an unmanaged group of securities generally considered to represent the performance of the micro-capitalization segments of the U.S. equity universe. The structure and diversification across economic sectors of portfolios actively managed by Signia may be meaningfully different compared to the index. Index returns reflect the reinvestment of dividends but do not reflect the fees, brokerage commissions, or other transaction costs.

Calculations. Valuations are computed and performance reported in U.S. dollars. Results are calculated at a minimum of monthly and adjusted for external cash flows. Returns are calculated using a time weighted rate of return. Period returns are geometrically linked. Using beginning period market values, the Composite is asset weighted by aggregating assets and cash flows into a single portfolio. Trade date accounting is used. Securities are priced using end-of-day market prices obtained from Interactive Data. Returns include dividends, interest, and realized and unrealized gains and losses. Dividends are recorded on a cash basis. No leverage derivatives are used. The composite gross-of-fees returns have been reduced by all actual transaction costs incurred but have not been reduced by investment management fees. Net-of-fees returns are presented net of a model management fee of 1.00% and a model performance-based fee of 15%. The model performance-based fee is subject to a high watermark and hurdle rate equal to the return of the Russell Microcap Value Index. The model management fee is deducted at a rate of 1/12th per month from the gross-of-fees composite returns. The model performance based fee is not captured in the return calculations until crystalized after year end and, if applicable, is deducted from performance for the month of December. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.

Dispersion and Risk. The dispersion of annual returns is measured by the asset-weighted standard deviation across gross-of-fees portfolio returns for those portfolios that were included in the Composite for the full year. For periods presented where there are five or fewer accounts in the composite for the entire year, dispersion, and number of portfolios as of each year end are not presented. The three-year annualized ex-post standard deviation is calculated using the composite net-of-fees returns. It is not presented for the composite or the benchmark for periods where there are fewer than three annual periods of performance.

Fees. Signia's standard fee schedule is 1.00% of assets under management and a 15% performance fee. Fees are negotiable and vary based on the size and type of the investment.

Past performance is not an indicator of future results.

To request a complete list and description of the firm's composites, please contact Colin Kelly at 509-789-8973 or colin@signiacapital.com.

*Source: Simcoe Capital, LLC dba Signia Capital Management, ICE Data Services and the Frank Russell Company. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in our composite at the time you receive this report or that securities sold have not been repurchased. Our portfolio characteristics and sector weightings are based on a representative account and may not be indicative of this strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. This information is shown as supplemental information only and complements the full disclosure presentation (fully compliant GIPS presentation). Past performance is no guarantee of future results.